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James B. Wright
Senior Attorney

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OFFICE OF THE
EXECUTIVE SECRETARY
January 11, 2002

14111 Capital Boulevard
Wake Forest, NC 27587-5900
Mailstop NCWKFR0313
Voice 919 554 7587
Fax 919 554 7913
james.b.wright@mail.sprint.com

Mr. David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

Re: Docket No. 97-00409: All Telephone Companies Tariff Filings
Regarding Reclassification of Pay Telephone Service.
UTSE Response to Motion to Compel

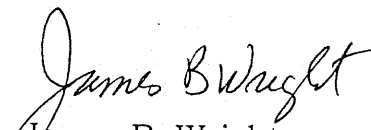
Dear Mr. Waddell:

Enclosed are an original and thirteen copies of United Telephone-Southeast, Inc. ("United") Response to the Motion to Compel filed by the Tennessee Payphone Owners Association ("TPOA").

Please note that Attachment A to the Response contains proprietary information and United asks that it be handled in accordance with the Protective Order entered in this case.

Please contact me if you have any questions.

Sincerely,


James B. Wright

cc: Parties of Record (with enclosure)
Whitney Malone
Laura Sykora
Kaye Odum

CERTIFICATE OF SERVICE; DOCKET 97-00409
(Pay Telephone Service Reclassification)

The undersigned hereby certifies that a copy of the foregoing Response to Motion to Compel was served upon the following parties of record by fax or by depositing a copy thereof in the U.S mail addressed as follows:

Henry Walker
Boult, Cummings
414 Union Street, Suite 1600
Nashville, TN 37219

Ted G. Pappas
Bass, Berry & Simms
2700 First American Center
Nashville, TN 37238

Consumer Advocate and
Protection Division
425 Fifth Avenue North, 2nd Fl.
Nashville, TN 37243

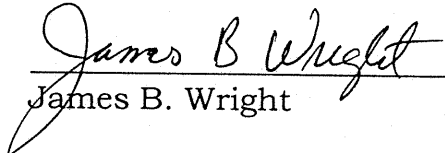
Guilford R. Thornton, Jr. Esq.
Stokes & Bartholomew
424 Church St, Suite 2800
Nashville, TN 37219-2386

Guy M. Hicks
BellSouth Telecommunications
333 Commerce St., Suite 2101
Nashville, TN 37201-3300

James P. Lamoureux
AT&T Communications
1200 Peachtree Street, Suite 8100
Atlanta, Georgia 30309

Jon E. Hastings
Boult, Cummings, Conner & Berry
414 Union Street, Suite 1600
Nashville, TN 37219-1777

January 11, 2002


James B. Wright

BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

IN RE: ALL TELEPHONE COMPANIES' TARIFF FILINGS REGARDING
RECLASSIFICATION OF PAY TELEPHONE SERVICE.

Docket No. 97-00409

**UNITED TELEPHONE-SOUTHEAST, INC. RESPONSE TO TPOA'S MOTION
TO COMPEL**

United Telephone-Southeast, Inc. (Sprint) urges the Tennessee Regulatory Authority (TRA) to deny the Tennessee Payphone Owners' Association's (TPOA) Motion to Compel. Contrary to the allegations contained in the Motion to Compel, except for the inadvertent omission noted below which has now been corrected, Sprint has fully responded to the TPOA's data requests. The TPOA simply does not like the answers. In support of its response, Sprint states the following:

Response to Questions 4a, 4b and 4c:

TPOA's Data Request (DR) 4a requests "... a listing of all the inputs to the SLCM that 'were updated to reflect current material prices.'" In response, Sprint provided a complete list of the October 10, 2001 Study's (October Study) updated inputs. Sprint will not quibble with the TPOA about whether or not DR 4a required any more detail than the category listings provided since a detailed listing of the actual updated inputs used in the October Study were provided in response to DR 4b. Workpapers supporting the updated inputs used in the October Study were provided in Sprint's original response to DR 4c. A single, similar input listing for the March 16, 2001 Study (March Study) and May 1, 2001 Study (May Study) was inadvertently omitted from Sprint's original response to DR 4b. That listing has now been provided to the TPOA in soft

copy format, thus satisfying any remaining obligation in response to DR 4.¹ (Sprint notes that a hard copy of this proprietary information is also provided as Attachment A to this filing.)

Taken together, the TPOA now has the necessary study inputs to determine “which inputs were changed, how much they were changed, or why they were changed” as requested in the Motion to Compel. Sprint has not created such a comparative analysis and is under no obligation through discovery to do so, particularly when the TPOA now has the necessary data to complete the comparative analysis itself.

Response to Question 5b:

DR 5b seeks a copy of the “resulting map for each wire center” of the geocoded payphone locations used in the October Study. This is precisely what was provided to the TPOA in response to DR 3a. Sprint’s response to DR 3a contains a complete map of all Sprint wire centers in Tennessee depicting all geocoded payphone locations used in the October Study. Furthermore, the response to DR 3a also provided a list of the service addresses used in geocoding. Apparently the TPOA wishes separate maps for every individual wire center instead of one map depicting all wire centers. However, no such series of maps exists. Instead, the information requested that demonstrates geocoded locations for each wire center was provided on one common map. In an effort to further assist the TPOA, Sprint has now provided the identical map in electronic copy that may be viewed and printed in color. The color differentiation on the electronic copy of the map may aid the TPOA’s understanding.

¹ The TPOA has been previously advised that both the March Study and May Study use a single set of inputs except for the requested change to the rate of return input. With that exception, the inputs between the March and May studies are identical.

Response to Question 5e, 7g and 7h:

DRs 5e, 7g and 7h seek various information if "only PTAS lines" or "only PTAS locations" are used. While Sprint firmly believes that its March Study appropriately identified the cost of providing payphone service, it nevertheless performed another study based upon the then existing geocoded payphone locations in Tennessee which resulted in the October Study. Sprint fully responded to DRs 5e, 7g and 7h based upon that October Study of all payphone lines. The March Study, the May Study (identical to March except for the rate of return input) and the October Study have all been provided to the TPOA as well as the methodology employed has been explained. Sprint has provided a tremendous amount of detail and answered numerous data requests associated with these studies. To now claim, as the TPOA has, that Sprint has failed to provide information regarding "PTAS lines" or "PTAS locations" is incomprehensible. Sprint advised the TPOA in the November 14, 2001 response to the second set of data requests, question 6, that "The term payphone and PTAS are used interchangeably in the UTSE studies." The TPOA's Motion to Compel seems to suggest that there is some industry standard meaning to the term "PTAS" separate and distinct from payphone service offered out of Sprint's tariff.

Sprint can only surmise that the TPOA has ignored or not read Sprint's response to the second data request and is now asking Sprint to produce yet another study on some undefined subset of payphone lines. No cost study of a further subset of payphone customers exists nor should Sprint be compelled to incur the expense and time to create one. Moreover, even if Sprint had such a cost study, which it does not,

the results would be irrelevant to the goal of this docket: to develop the cost of providing payphone service in Tennessee.

Sprint's cost studies and resulting rates apply to all payphone operations in Tennessee. All payphone providers buy service out of the same Sprint tariff. Sprint's March Study and May Study results reflect the reality that payphone customers may request payphone service anywhere within Sprint's local operating territory. These study results were provided to the TPOA and the TRA. The TPOA nevertheless criticized the study as not being "payphone specific" enough since it did not create the costs solely and specifically for only those locations where payphones existed at that moment in time. Consequently, Sprint incurred the time and expense of geocoding payphone locations and produced a cost study, the October Study, which reflected the then existing locations of Sprint's payphone customers.²

Although undefined, the TPOA apparently now wants to further segregate the cost study into either existing locations of payphones provided by TPOA members and those not belonging to a TPOA member or existing locations of non-affiliated payphone providers and Sprint-affiliated payphone providers, based upon the unsubstantiated conjecture that the undefined PTAS lines "have cost characteristics different from other payphone lines."² As stated previously, no such study exists and Sprint should not be compelled through discovery to create such a study. Nor is such a distinction consistent with the goal of the docket: to develop the cost of payphone service and the rates that will be applicable to all payphone customers. The TPOA is simply requesting study after study in an effort to get an answer it likes regardless of validity of the assumptions.

² See page 2 of TPOA Motion to Compel.

Response to Question 2a, 2b and 2c:

Contrary to the TPOA'S allegations, Sprint did previously provide in response to DR 2a, 2b and 2c the changes made to the October Study, an explanation of those changes and the supporting documentation which was filed in response to DRs 3, 4 and 5. As discussed in the response to Questions 4a, b and c noted above, Sprint has now provided a soft, or electronic version of the input files for the March Study. Taken together, the TPOA now has the necessary data to produce its desired comparison. Sprint has not created such a comparison and should not be compelled to create one, particularly when the TPOA now has all of the necessary information to create a comparison itself.

Conclusion:

Sprint has already produced five cost studies in this proceeding in an attempt to be responsive. The cost studies have consistently produced results that prove that Sprint's costs of providing payphone service are higher than the existing proxy rate currently being paid by the TPOA members.³ These studies, supporting documentation, and numerous DR answers have been provided to the TPOA.

In turn, the TPOA has not responded substantively to Sprint's discovery nor has it produced any evidence or testimony to counter the March Study, the May Study or the October Study. Furthermore, it has not contacted Sprint to set up a meeting between subject matter experts to answer any questions regarding the study or to air any

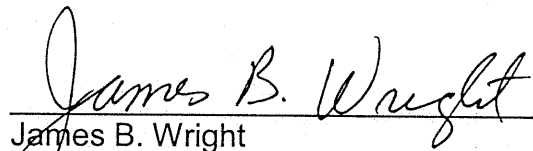
³ The TPOA seems to imply that a difference in results among the studies, particularly if the result increases the total cost per loop, somehow proves that the study must be flawed and that Sprint is being intentionally vague. However, there is nothing sinister about the fact that input values have changed among the studies with some input costs increasing and others decreasing. Various input values reasonably and appropriately change over time. For example, cable costs, labor rates, etc. may well vary from study period to study period since these costs are rarely static. The more time that passes in the

concerns as has been offered by Sprint and as documented in the TPOA's July 13, 2001 letter. The TPOA has, however, continued to enjoy the below cost proxy rates currently charged by Sprint. It is time to set the docket for hearing with testimony to be filed by the parties, including the TPOA.

The TPOA Motion to Compel should be denied.

Respectfully submitted this 11th day of January, 2002.

UNITED TELEPHONE-SOUTHEAST, INC.


James B. Wright
Senior Attorney
14111 Capital Boulevard
Wake Forest, North Carolina 27587
Tel. 919-554-7587

docket the more likely it is that each subsequent study will have some variance in input values. However, the range of results among the studies is still higher than the proxy rate.